VSH Futures Project
Employees Work Group Report

to the Futures Advisory Committee
and AHS Secretary Cynthia LaWare

September 7, 2006

Introduction

The Vermont Mental Health Futures Plan calls for the transformation of our service system towards a consumer-directed, trauma-informed, and recovery-oriented mental health system. The plan was developed through an inclusive, statewide planning process that brought together all stakeholders, forming the VSH Futures Advisory Committee in 2004. Work groups were formed to address many parts of the Futures Plan, including the critical issue of how best to enable the transition of VSH employees to the new inpatient capacities that will provide some of the functions currently served by the Vermont State Hospital.

The Futures Plan calls for replacement of the Vermont State Hospital with a new array of inpatient, rehabilitation, residential, and support services for adults. The core concepts of the Futures Plan are:

- To create new community services and supports while strengthening the existing services infrastructure to reduce Vermont's use of involuntary, inpatient services;
- To improve psychiatric inpatient care by integrating care with general hospital care.

The Inpatient Work Group developed a set of criteria for the new inpatient programs to replace VSH, recommending that a new inpatient program be located at or adjacent to a hospital, preferably a tertiary level, academic medical center. These site and partner selection criteria were approved by the Futures Advisory Committee and have been adopted by the Douglas Administration.

Formation of the VSH Employees Work Group

The VSH Employees Futures Work Group convened in April to provide input to the Mental Health Futures Advisory Committee and the Secretary of Human Services regarding options pertinent to staff in the transition to new inpatient care services for mental health patients.

Those serving on the group were:

John	Berard	DHR Employee Relations Specialist
Conor	Casey	VSEA Legislative Coordinator
Laura	DeForge	AHS Personnel Administrator
Keith	Goslant	VSH Benefits Specialist
Anne	Noonan	VSEA Director
John	O'Brien	VSH Psychiatric Technician
Terry	Rowe	VSH Executive Director
Gail	Rushford	AHS Personnel Chief
Goldie	Watson	VSH Nursing Supervisor/Education
Dena	Weidman	VSH Operations Director

In addition to work group members, most meetings were also attended by the Futures Project Manager, Beth Tanzman, or the AHS Deputy Secretary, Steve Gold. Judy Rosenstreich, Futures staff, provided administrative support.

The Work Group's Charge

The group received its charge from Deputy Secretary Gold. The specific charge was to:

- ✓ Identify the whole range of options for the future of VSH staff to accomplish the transition of the psychiatric care services that are currently provided at the Vermont State Hospital to a new facility.
- ✓ Define the pros and cons of each option;
- ✓ Rank order the options;
- ✓ Describe requirements for top options to succeed;
- ✓ Develop a report to Futures Advisory Group.

The group's approach to these tasks focused specifically on the classified workforce of VSH – this includes all permanent status (full-time and part-time) positions, but does not include temporary or contractual positions. Future models may include contractual services; however, this report focuses on the classified workforce.

Background

The Vermont State Hospital (VSH) is managed by the Mental Health Division of the Department of Health, Agency of Human Services. The hospital's workforce is predominantly classified state employees, including managers, support services and direct care staff. For more than a decade, psychiatry services have been provided through a contract with Fletcher Allen Health Care.

There are approximately 200 admissions and discharges a year at the Vermont State Hospital. The average daily census is 48 patients, making it one of Vermont's largest hospitals.

The costs of operating the Vermont State Hospital are supported by the State's General Fund---approximately $18 million annually.

The facility is antiquated.

Classified VSH Employees: A Valuable Resource

The Futures Plan (March 2006) states: "The current workforce at the Vermont State Hospital is uniquely skilled and qualified to provide inpatient care to Vermonters with the most severe mental illnesses." These employees have remained dedicated to the care of patients throughout the numerous changes in the nature of psychiatric care and in the operations of VSH. There are194 classified employees at VSH (as of 04/29/06). Also, sixteen positions are vacant. In addition, the legislature authorized 18 new positions as of July 1, 2006. Most (83%) of the positions at VSH provide direct patient care services. The direct care staff include: psychiatric technicians, nurses, activity therapists, social workers, psychologists, a physician, and various single positions in ancillary services. (See Appendix A for a list of position titles at VSH.) The hospital also uses temporary employees, primarily in direct care, to reduce overtime demands and manage fluctuations in staffing due to patient needs, variations in census, or leave replacement.

Unique Staffing Characteristics of VSH

The Vermont State Hospital has a unique staff role or "job series" called psychiatric technician. Psychiatric technicians represent more than half of the direct care staff at VSH and just under half of the total classified workforce. This role is unique to VSH and not recognized by formal credentialing bodies. VSH has an extensive internal educational program for psychiatric technicians with a decades-long rich history called the Vera Hanks School of Psychiatric Technology. The training to become a fully qualified psychiatric technician begins with classroom orientation and progresses through a series of classes that address topics including Nursing Arts and Psychiatric Nursing. As

employees gain knowledge and on-the-job experience they become eligible to advance to higher levels within the psychiatric technician job series.

A second unique aspect of the current VSH staffing arrangement is that under Vermont statute, the Nurse Practices Act [26 V.S.A. §1583 (6)] provides an exemption for the state hospital and its staff of psychiatric technicians to dispense medications. In community hospital settings, dispensing medications requires certification as a Licensed Practical Nurse, at a minimum.

In addition to the issues of transferability of the psychiatric technician roles, other factors in retention of the workforce are apparent. VSH employees' concerns include:

- Retention of State retirement benefits.
- Loss of skilled staff moving into other jobs due to uncertainty of their positions during the transition period of planning for a new state hospital.
- Potential requirement for additional professional training.
- Longer commuting distances for some current VSH classified employees given that significantly more than half live in Washington County where VSH is currently located. By contrast, the psychiatrists providing treatment services at VSH (all of whom are in temporary positions or under contract) are predominately from Chittenden County.

Operating Assumptions

As work progressed, the group identified several factors that were crucial to its discussion regarding the options of staffing and to the assessment of those options. The following assumptions were pertinent to the dialogue:

1) The Futures Plan states: "The current workforce at the Vermont State Hospital is uniquely skilled and qualified to provide inpatient care to Vermonters with the most severe mental illnesses."
2) The funding language in the FY2007 Capital Bill includes this provision: "*Staffing* shall include demonstrated due diligence in support of the statement in the Vermont futures strategic implementation plan of July 11, 2005 that the 'expertise and experience of the current VSH staff is a valuable resource' by identifying potential avenues that would enable current qualified staff to maintain their status and contractual benefits as Vermont state employees."
3) Based on the above, the focus of the work group was on developing options related to the future role of current VSH staff in the new inpatient care system.
4) Although inpatient care jobs for VSH staff are generally expected to be available within the various options envisioned, it is recognized that some number of staff may not be employed in this capacity (whether due to personal choice or lack of available positions for which they qualify). Eligible

classified VSH staff may have reduction-in-force (geographic RIF and regular RIF) and re-employment rights with the State under the collective bargaining agreements if their State jobs are lost as a result of the relocation of inpatient care.

5) The State is responsible for the provision and/or oversight of involuntary inpatient psychiatric care.
   a) Funding will continue to be primarily public.
   b) Patients will continue to be in the care and custody of the Commissioner of Health.

6) The Futures planning process includes negotiations with non-state partners for the delivery of inpatient care services. Several terms may therefore be relevant to the definition and understanding of options for classified state employees within the Futures Plan:
   a) Privatization – The term privatization has generally been defined as any process aimed at shifting functions and responsibilities, in whole or in part, from the government to the private sector.[1]
   b) Contracting Out – Contracting out is the hiring of private-sector firms or nonprofit organizations to provide goods or services for the government. Under this approach, the government remains the financier and has management and policy control over the type and quality of goods or services to be provided.
   c) Outsourcing – Under outsourcing, a government entity remains fully responsible for the provision of affected services and maintains control over management decisions, while another entity operates the function or performs the service.
   d) Public-Private Partnership - A public-private partnership is a form of privatization based on a contractual agreement between a public agency (federal, state or local) and a private sector entity. Through this agreement, the skills and assets of each sector (public and private) are shared in delivering a service or facility for the use of the general public. In addition to the sharing of resources, each party shares in the risks and rewards potential in the delivery of the service and/or facility. [2]

   In the discussions of the work group, a key distinction emerged between the concepts of “partnership” and “contracting”. In contracting out, the parties may engage in collaborative decision making, but the burden of risk is assumed by the public sector. This is contrasted to public-private partnerships which are joint ventures and, by definition, entail shared risk. As clarified by the GAO:

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[1]The definitions of the terms “Privatization”, “Contracting Out” and “Outsourcing” are from the Government Accountability Office, GAO/GGD-97-121 http://www.gao.gov/special.pubs/gg97121.htm

[2] National Council for Public-Private Partnerships

> "Such a venture, while a contractual arrangement, differs from typical service contracting in that the private-sector partner usually makes a substantial cash, at-risk, equity investment in the project, and the public sector gains access to new revenue or service delivery capacity without having to pay the private-sector partner. Leasing arrangements can be used to facilitate public-private partnerships."

Options

The work group developed a list of the possible staffing options that we could imagine. From these options, we identified three fundamental models of employment that could potentially be applied to the staff of a new mental health inpatient program(s) in Vermont. Within these models, we identified possible variations for implementation. A brief overview of the models follows.

- **Privatization Model**

  This model assumes that inpatient care will be provided solely by a non-governmental entity. All staff is therefore private sector employees.

  The choice of options envisioned within this model range from traditional privatization, in which current VSH staff compete with other applicants for the private positions and have no other advantage, to a subsidized arrangement in which the private entity provides hiring preference to qualified VSH staff and, with financial assistance from the State, maintains their pay and benefit status. The variations in this model primarily relate to the degree of protection offered to employees in the transition from the public to the private sector.

- **Public/Private Partnership Model**

  This model assumes that inpatient care will be provided through the combined efforts of both the State and a non-governmental entity. Therefore, some staff would be private sector employees and some would be state employees.

  Several partnership variations were envisioned in this model. These variations primarily reflected different levels of management involvement between the public and private sector partners. The choices range from the facility being operated by public sector managers and workers under a private license to a primarily private sector management team and workforce with public sector positions embedded for oversight.

- **Public Sector Model**

  This model assumes that inpatient care will be provided by the State. The current classified workforce therefore remains as public sector employees. In effect, this is a continuation of the current inpatient care model in which the license is held by the State and services in specific areas of expertise are delivered through contracting out, as in the existing VSH contract with Fletcher Allen to provide psychiatry staff.

  No variations were envisioned in terms of the implementation of this model.

Preferred Options

The group used a simple voting process to select the three most preferred staffing models for a VSH-replacement inpatient psychiatric hospital program. This selection process took place within the context of the group's understanding that the Futures Plan lays out a preferred vision of integrating the primary psychiatric facility with a tertiary academic medical center and, in addition, providing smaller capacity units at Rutland Regional Medical Center and the Brattleboro Retreat. The group also recognized that final determinations have not been made at this point and alternative options have been raised in the Advisory Committee. Importantly, the selection process was also influenced by one of the operating frameworks for this group - the challenge in the FY2007 Capital Bill to identify "potential avenues that would enable current qualified staff to maintain their status and contractual benefits as Vermont state employees."

The preferred options were identified as follows:

Public – This model means that the inpatient care services will be owned, operated, and licensed by the State and all positions will be state jobs with related rights and benefits. [10 votes]

Public senior management and workforce operating under private license – Under this model, the majority of staff would have state positions, but private sector positions would be embedded within the organization to oversee responsibilities related to licensure of the facility. [8 votes]

Public workforce / Private senior management (such as CEO, CFO, Administrators) – This model means that the State will own the inpatient care services, but members of the management team will work directly for an external entity. Under this model, most positions would continue to be state jobs with related rights and benefits. [6 votes]

Requirements for Success

The preferred options are those identified by the group as most likely to preserve and transition the VSH workforce to the new inpatient care program. The group next turned its attention to the requirements for success and brainstormed responses to the question: What are the requirements that need to be in place for these options to succeed? We identified many of the requirements as "core", meaning that they would be applicable to all options. Other requirements were specific to a particular option. When identifying requirements pertinent to transition of the workforce, we assumed that certain conditions would be met with respect to funding and budget processes, stakeholder buy-in, legislative support and continued support for protecting the public interest through transparent processes and public input and oversight.

Core Requirements for Success

Certain requirements for success are shared across all of the preferred options. These follow.

1. Inpatient care services must meet regulatory and accreditation standards. Planning for staffing within these standards of care (CMS and JCAHO) will address the roles and utilization of direct care staff:
    a. Psychiatric Technician
    b. Licensed Practical Nurse
    c. Registered Nurse
        - ✓ While the Nurse Practice Act grants an exemption to the "Vermont State Hospital" allowing trained, but unlicensed, staff (psychiatric technicians) to dispense medications to patients, the current contract with Fletcher Allen for psychiatric services requires licensed professionals to administer medications.
        - ✓ The hospital standards of CMS (Center for Medicare and Medicaid Services) require RN's to be the clinical leaders on the floor. The shortage of nurses at VSH meant that VSH did not meet hospital standards.
        - ✓ If a hospital is JCAHO (Joint Commission on Accreditation of Healthcare Organizations) accredited, we assume the hospital complies with CMS.
2. In recognition of the trend toward increased reliance on licensed staff, strategies must be implemented to support professional training and education opportunities for Psychiatric Technicians who have the desire and ability to become professionally licensed. Examples of such strategies may include assessment of Psychiatric Technician training for credit and advanced standing at a Vermont institution for higher education, offering on-site college courses or providing guaranteed slots in local college nursing programs.

3. There is a transition process to assure continuity of patient care while also maintaining stability in the staffing of VSH.

4. Options and benefits related to reduction in force, reemployment, and retirement are identified and provide an orderly transition for employees who are displaced due to position reduction, job class elimination or geographic hardship. Stability in the workforce is maximized through strategies that support staff retention. Examples may include transition packages that provide retraining options or interim assignments.

5. To minimize geographic disruption, assuming a change in location, alternatives such as a shuttle service / transportation support are identified and/or established.

6. Legal review of VSH-related statutes and regulations (Act 114, Nurse Practice Act, authority of commissioner) is completed and necessary changes are made to permit transition of in-patient care services.

7. There is an adequate reserve of properly trained staff (such as a "float pool") that can provide flexibility in staffing levels to adapt to major fluctuations in patient acuity and census in the facility(s).

Model-Specific Requirements for Success

Public – This model means that the inpatient care services will be owned and operated by the State. With the exception of specialized services delivered under contract, all positions will be state jobs with related rights and benefits. [10 votes]

Requirements for Success in the transition to this model:

- Establish a clinical career ladder for non-licensed staff.
- Provide new building(s). There may be additional new inpatient services
  - ✓ Multiple 16-bed hospitals would require each facility to have its own governance structure in order not to be an IMD (Institute for Mental Disease).
- Identify funding options.
- Create a staff development program to ensure best practice and to meet evolving regulatory standards.
- Integrate the new state hospital in the continuum of mental health care services.
- Develop options for continuing contractual services with other institutions.

Public senior management and workforce operating under private license – Under this model, the majority of staff would have state positions and the private sector partner would have an accountability process to oversee responsibilities related to licensure of the facility. [8 votes]

Requirements for Success in the transition to this model:

- There is a contract with a private partner with agreement as to:
  - ✓Level(s) of management
  - ✓Staffing patterns required under the license - credentials and use of non-licensed staff.
- Licensure issues are obligation of the private partner.
  - ✓The role of the private partner in policy development is clearly defined.
  - ✓The form and authority of a governing body, such as a board of trustees, is clearly defined.
- There are new contracts for services not currently provided by public employees (such as psychiatrists).

Public workforce / Private senior management (such as CEO, CFO, Administrators) – This model means that the State will own the inpatient care services, but members of the management team will work directly for an external entity. Under this model, most positions would continue to be state jobs with related rights and benefits. [6 votes]

Requirements for Success in the transition to this model:

- The private partner agrees to use state employees as the primary workforce and a "crosswalk" is completed to identify position types that will be used – specifying which are private and which are public.
  - ✓This analysis will include consideration of direct care titles/roles, including Social Workers, Activity Therapists, and Admission Specialists.
  - ✓Duplication of roles between the public and private partners will be identified and addressed, as well as positions that are normally filled by subcontract.
- Management relationships are clearly defined.
  - ✓Specify what level of management is private and what level is public.
  - ✓Expectations regarding "rules of engagement" with public workforce.
- The staffing pattern mirrors the current model (or) provides a mechanism for state positions to translate into the private model.
  - ✓The term 'staffing pattern' means overall kinds and numbers of positions and job functions; how does title by title match up.
  - ✓The issue of credential requirements must be addressed, particularly with respect to the current psychiatric technician job role and the future use of unlicensed staff with specialized training.

- Governance processes and public oversight duties are clearly defined, such as:
  - ✓public governing body
  - ✓public meetings
  - ✓public records requests

Final Comments from the Work Group

The work group has met 11 times from April 7 through September 7, 2006, to address the issues presented in this report. Early on, Secretary Cynthia LaWare spoke with the group, emphasizing the importance and value of its work in the Futures planning process. The Secretary expressed interest in hearing the full range of opinions and recommendations at the completion of its work. The report reflects this effort.

Appendix A – Classified Position Report for VSH Employees Futures Work Group

Class Title	Pay Grade	# positions (filled & vacant)	
Accountant A	17	1	
Accountant B	19	1	
Accountant D	23	1	
Activity Therapist	19	5	
Administrative Assistant B	19	2	
Administrative Secretary	17	2	
Business Manager C	24	1	
Cook A	9	1	
Cook B	12	1	
Food Service Asst Coordinator	14	1	
Food Service Coordinator	18	1	
Food Service Worker	7	3	
Institutional Diet Consultant	22	1	
Medical Records Specialist	17	2	
Pharmacy Director	28	1	
Physician	28	1	
Psychiatric Nursing Admin	27	1	
Psychiatric Tech Admissions Spec	19	5	
Psychiatric Nurse I: Evening	21	2	
Psychiatric Nurse II Char Day	23	1	
Psychiatric Nurse II Days	23	10	
Psychiatric Nurse II: Night	23	10	
Psychiatric Nurse II: Evening	23	16	
Psychiatric Social Worker	22	4	
Psychiatric Technician I	16	47	
Psychiatric Technician II	17	15	
Psychiatric Technician III	18	7	
Psychiatric Technician IV	19	27	
Psychiatric Technician V	20	3	
Psychology Services Sup-VSH	27	1	
Storekeeper B	16	1	
Switchboard-Receptionist	11	1	
Therapeutic Activity Chief	24	1	
VSH Ancillary Services Spec	18	1	
VSH Benefits Specialist	20	1	
VSH Executive Director	30	1	
VSH Food Service Supervisor	21	1	
VSH Health Information Special	21	1	
VSH Licensed Practical Nurse	19	11	
VSH Nursing Service Supr: Nite	24	1	
VSH Nursing Services Sup: Educ	24	2	
VSH Nursing Services Supr	24	7	
VSH Nursing Supr AC: Educ & Tr	24	1	
VSH Nursing Systems Manager	25	1	
VSH Operations Director	29	1	
VSH Quality & Risk Mgt Chief	25	1	
VSH Quality Assurance Analyst	23	2	
VSH Social Services Chief	26	1	
VT State Hosp Psychologist	25	2	
		212	TOTAL